01
BEGINNER

» The **ICD-10** Transition:
AN INTRODUCTION

ICD-10 DEADLINE
OCT 1, 2014

T he ICD-9 code sets used to report medical diagnoses and inpatient procedures will be replaced by ICD-10 code sets. This fact sheet provides background on the ICD-10 transition, general guidance on how to prepare for it, and resources for more information.

»

CMS
CENTERS FOR MEDICARE & MEDICAID SERVICES

01

BEGINNER

About ICD-10

ICD-10-CM/PCS (International Classification of Diseases, 10th Edition, Clinical Modification / Procedure Coding System) consists of two parts:

ICD-10-CM
for diagnosis coding

ICD-10-CM is for use in all U.S. health care settings. Diagnosis coding under ICD-10-CM uses 3 to 7 digits instead of the 3 to 5 digits used with ICD-9-CM, but the format of the code sets is similar.

ICD-10-PCS
for inpatient procedure coding

ICD-10-PCS is for use in U.S. inpatient hospital settings only. ICD-10-PCS uses 7 alphanumeric digits instead of the 3 or 4 numeric digits used under ICD-9-CM procedure coding. Coding under ICD-10-PCS is much more specific and substantially different from ICD-9-CM procedure coding.

The transition to ICD-10 is occurring because ICD-9 produces limited data about patients' medical conditions and hospital inpatient procedures. ICD-9 is 30 years old, has outdated terms, and is inconsistent with current medical practice. Also, the structure of ICD-9 limits the number of new codes that can be created, and many ICD-9 categories are full.

Who Needs to Transition

ICD-10 will affect diagnosis and inpatient procedure coding for everyone covered by the Health Insurance Portability and Accountability Act (HIPAA), not just those who submit Medicare or Medicaid claims. The change to ICD-10 does not affect CPT coding for outpatient procedures.

Health care providers, payers, clearinghouses, and billing services must be prepared to comply with the transition to ICD-10, which means:

- All electronic transactions must use Version 5010 standards, which have been required since January 1, 2012. Unlike the older Version 4010/4010A standards, Version 5010 accommodates ICD-10 codes.

- ICD-10 diagnosis codes must be used for all health care services provided in the U.S., and ICD-10 procedure codes must be used for all hospital inpatient procedures. Claims with ICD-9 codes for services provided on or after the compliance deadline cannot be paid.

Health care providers, payers, clearinghouses, and billing services must be prepared to comply with the transition to ICD-10.

01
BEGINNER

Transitioning to ICD-10

It is important to prepare now for the ICD-10 transition. The following are steps you can take to get started:

- **Providers** – Develop an implementation strategy that includes an assessment of the impact on your organization, a detailed timeline, and budget. Check with your billing service, clearinghouse, or practice management software vendor about their compliance plans. Providers who handle billing and software development internally should plan for medical records/coding, clinical, IT, and finance staff to coordinate on ICD-10 transition efforts.

- **Payers** – Review payment policies since the transition to ICD-10 will involve new coding rules. Ask your software vendors about their readiness plans and timelines for product development, testing, availability, and training for ICD-10. You should have an implementation plan and transition budget in place.

- **Software vendors, clearinghouses, and third-party billing services** – Work with customers to install and test ICD-10 ready products. Take a proactive role in assisting with the transition so your customers can get their claims paid. Products and services will be obsolete if steps are not taken to prepare.

ICD-10 Resources

There are many professional, clinical, and trade associations offering ICD-10 information, educational resources, and checklists. Call or check the websites of your associations and other industry groups to see what resources are available.

www.cms.gov/ICD10

The CMS website has official resources to help you prepare for ICD-10. CMS will continue to add new tools and information to the site throughout the course of the transition.

Sign up for ICD-10 Email Updates

Follow @CMSgov on Twitter for the latest news and resources.